

## **GENERAL QUESTIONS AND ANSWERS ABOUT THE FUND**

The following questions and answers cover only general information about the Fund.

### **When was the Fund created?**

The Fund was established in 1989 by the State Legislature to benefit businesses, individuals, and the environment by providing reimbursement for unexpected and catastrophic expenses associated with the cleanup of leaking petroleum USTs.

### **When did the Fund begin paying claims?**

In 1992, the Fund began paying claims for corrective action costs incurred for cleanup of contamination.

### **Where does the Fund's revenue come from?**

The Fund's revenues are generated by a storage fee (currently 1.4 cents) for every gallon of petroleum products placed into USTs. The State Board of Equalization collects the fee quarterly from owners of active USTs.

### **Why are funds down?**

Funds are down due to:

- Lower revenues due to higher gas prices and the overall economic decline resulting in fewer gallons of gas being sold
- Depletion of surplus funds
- Increase in other obligations against the Fund including program administration and special accounts (Orphan Site Cleanup, Commingled Plumes and Emergency, Abandoned and Recalcitrant Accounts)

### **How many active claims does the Fund currently have being funded?**

The Fund has about 4,200 active claims in all Priority Classes.

### **How many claims have received a Letter of Commitment (LOC) suspension?**

The Fund has suspended 1,356 LOCs. The breakdown by Priority Class is as follows:

- Priority A – None
- Priority B – None
- Priority C – 1,229
- Priority D – 127

**What is the Fund obligated to pay to each Priority Class?**

The Fund is obligated to pay 14% of the available funds to each Priority Class "C" and "D". As this point, we have reached our obligation for this Fiscal Year to Priority Class "C" and are working to pay our obligation to Priority Class "D".